

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Lubang Cao v. Mercedes-Benz USA, LLC

Cao · No. CV 25-3905 FMO (SSCx) · Decided June 25, 2025

SUMMARY

The United States District Court for the Central District of California remanded the action to California state court for lack of subject matter jurisdiction. The court held that Mercedes-Benz USA, LLC, as the removing defendant, failed to respond to the order to show cause or establish that removal based on diversity jurisdiction was proper.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Fernando M. Olguin
JURISDICTION	United States District Court for the Central District of California
DECIDED	June 25, 2025
DOCKET	CV 25-3905 FMO (SSCx)
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant removed the action from California state court based on diversity jurisdiction. After the plaintiff disputed federal subject matter jurisdiction and the court ordered defendant to show cause, defendant failed to respond. The district court remanded the action to state court.
STANDARD OF REVIEW	The removing defendant bears the burden of establishing that removal is proper, and subject matter jurisdiction may not be waived.
PRECEDENTIAL VALUE	Unpublished and expressly not intended for publication or inclusion in Westlaw or Lexis.

TOPICS

- subject matter jurisdiction
- civil procedure
- federalism

PRACTICE AREAS

- civil procedure
- federal jurisdiction
- removal and remand

QUESTIONS PRESENTED

1. Whether the federal court had subject matter jurisdiction over the removed action.
2. Whether the action should be remanded when the removing defendant failed to establish that removal was proper.

HOLDINGS

1. The court could not exercise subject matter jurisdiction because the removing defendant failed to establish that removal was proper.
2. The action must be remanded to the Superior Court of the State of California for lack of subject matter jurisdiction.

KEY QUOTATIONS

“Because “[s]ubject matter jurisdiction may not be waived,””

“the “longstanding, near-canonical rule that the burden on removal rests with the removing defendant””

“The strong presumption against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper.”

FACTUAL BACKGROUND

Defendant removed the action to federal court based on diversity jurisdiction. Plaintiff disputed federal subject matter jurisdiction in the parties' Rule 26(f) report, and defendant failed to respond to the court's order to show cause regarding jurisdiction.

PROCEDURAL HISTORY

Mercedes-Benz USA, LLC removed the action on May 1, 2025, asserting diversity jurisdiction. The parties later filed a Joint Rule 26(f) Report in which plaintiff disputed subject matter jurisdiction. The court ordered defendant to show cause why federal jurisdiction existed, but defendant did not respond, so the court remanded the action to the California Superior Court.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The action shall be remanded to the Superior Court of the State of California, and the Clerk shall send a certified copy of the order to the state court.

CASES CITED

- Kelton Arms Condo. Owners Ass’n, Inc. v. Homestead Ins. Co., 346 F.3d 1190, 1192 (9th Cir. 2003)
- Abrego Abrego v. The Dow Chem. Co., 443 F.3d 676, 684 (9th Cir. 2006) (per curiam)

- Gaus v. Miles, Inc., 980 F.2d 564, 566 (9th Cir. 1992)

OPINION

Lubang Cao v. Mercedes-Benz USA, LLC

PER CURIAM.

CENTRAL DISTRICT OF CALIFORNIA JS-6

CIVIL MINUTES - GENERAL

Case No. CV 25-3905 FMO (SSCx) Date June 25, 2025 Title Lubang Cao v. Mercedes-Benz USA, LLC Present: The Honorable Fernando M. Olguin, United States District Judge Vanessa Figueroa None None Deputy Clerk Court Reporter / Recorder Tape No. Attorney Present for Plaintiff(s): Attorney Present for Defendant(s): None Present None Present Proceedings: (In Chambers) Order Remanding Action On May 1, 2025, defendant Mercedes-Benz USA, LLC (“defendant”) removed this action based on diversity jurisdiction. (See Dkt. 1, Notice of Removal (“NOR”). On June 12, 2025, the parties filed their Joint Rule 26(f) Report, (see Dkt. 10), in which plaintiff disputed that the court had subject matter jurisdiction. (See *id.* at 3). On June 18, 2025, the court ordered defendant to show cause by no later than June 24, 2025, why this court has jurisdiction over this action. (See Dkt. 11, Court’s Order of June 18, 2025). Defendant was “cautioned that failure to timely respond to th[e] Order shall be deemed as consent to remand.” (See *id.*). Defendant did not respond the court’s order and did not show cause why this court has jurisdiction over this action. (See, generally, Dkt.). Because “[s]ubject matter jurisdiction may not be waived,” *Kelton Arms Condo. Owners Ass’n, Inc. v. Homestead Ins. Co.*, 346 F.3d 1190, 1192 (9th Cir. 2003), and a removing defendant bears the burden of establishing that removal is proper, see *Abrego Abrego v. The Dow Chem. Co.*, 443 F.3d 676, 684 (9th Cir. 2006) (*per curiam*) (noting the “longstanding, near-canonical rule that the burden on removal rests with the removing defendant”); *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992) (“The strong presumption against removal jurisdiction means that the defendant always has the burden of establishing that removal is proper.”) (internal quotation marks omitted), the court will remand this action for lack of subject matter jurisdiction. This order is not intended for publication. Nor is it intended to be included in or submitted to any online service such as Westlaw or Lexis.

CONCLUSION

Based on the foregoing, IT IS ORDERED that:

1. The above-captioned action shall be remanded to the Superior Court of the State of

CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 25-3905 FMO (SSCx) Date June 25, 2025 Title Lubang Cao v. Mercedes-Benz USA, LLC

2. The Clerk shall send a certified copy of this Order to the state court.

00 : 00 Initials of Preparer vdr

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